REMARKS

Claims 1-25 are pending in this action. Claims 1-25 have been rejected. Applicants attempted to arrange for a telephone interview with the Examiner prior to filing this Response. In this regard, Applicants respectfully request an interview with the Examiner regarding this application.

Claims 1 -19 have been rejected under 35 U.S.C. §101. Claims 1-25 have been rejected under 35 U.S.C. §112. Claims 1-25 have been rejected under 35 U.S.C. §103.

35 U.S.C. §101

The Examiner has rejected claims 1-19 under 35 U.S.C. §101 because the claims are devoid of any limitation to practical application in the technological arts. Applicants respectfully disagree.

In rejecting claims 1-19, the Examiner states the following "[i]f the invention, in the body of the claim, is not tied to technological art, . . ., the claim is not statutory." Detailed Action, page 5. The Board of Patent Appeals and Interferences, though, has determined that there is "no judicially recognized separate 'technological arts' test to determine patent eligible subject matter under §101." Ex Parte Carl A. Lundgren, 2004 WL 3561262, *5 (Bd. Pat. App. & Interf. April 20, 2004). Accordingly, Applicants respectfully request that the Examiner withdraw her rejection under 35 U.S.C. §101.

35 U.S.C. §112

The Examiner has also rejected claims 1-25 under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. According to the Examiner, the

language "separate from said first financial institution" is not supported by the specification. Detailed Action, pages 5-6. Applicants respectfully disagree.

Support for the language set forth above can be found throughout Applicants' specification. The present invention is primarily a mechanism whereby "an investor can leverage a liability to purchase assets and/or....one...that an investor can possibly fund an asset purchase more efficiently than through other conventional means". Page 5 lines 5- 8. Further, Applicants state that "the current invention provides a structure whereby an investor can purchase assets with implied assets contained in the liability of a loan (principle amortization schedule), whereby the principle payments on a loan are effectively directed into asset investments rather than used to pay down the net liability obligation of the borrower." Page 4 line 30 - page 5 line 4. Moreover, a "novel aspect of the present invention....converts an implicit asset imbedded in the liability obligation into an explicit asset to be managed alongside the liability as an explicit (and presumably more efficient) portfolio of both assets and liabilities." Page 4 lines 18-22.

In the preferred embodiment set forth in the Specification, a liability (home loan) could be acquired without the pledge of non-home assets and that the terms and the structure of the assets would not be dependant upon the liability. Further, each product can be separately administered and can standalone as separate and distinct products while the underlying nature of each product retains its integrity. As such, a skilled person, knowledgeable in the art would know the present invention is a method to separately manage/acquire assets and liabilities within a combined package acquired from separate asset and liability entities such that each entities' products are not controlled or altered by the requirements of the other entity. This is specifically stated in the Specification on page 3, lines 24 – 27, "the asset management entity and the lending

entity will separately administer their respective products and additionally, will collaterally agree to manage the cash flows through the combined asset / liability package in accordance with the participation provisions or legal agreements."

In accordance with the above, the language, "separate from said first financial institution," is explicitly, or in the alternative inherently, supported by Applicants' disclosure.

The Examiner has also rejected Claims 20-25 and 3-7 under 35 U.S.C. §112 as failing to comply with the enablement requirement. According to the Examiner, it is unclear what the "means for" language in each of the claims is directed to. In addition, the Examiner is of the view that there is no enablement for the menu choice system.

Applicants respectfully contend that Claims 20-25 and 3-7 do not contain of "means for" language. In addition, the menu choice system is supported and enabled in the specification at page 9, lines 1-6, and in Figure 5.

In addition, the Examiner has rejected Claims 20-25 under 35 U.S.C. §112 as being indefinite for failing to particularly point out distinctly claim the subject matter which Applicants regard as the invention. Specifically, as Applicants understand it, the Examiner is of the view that the structure disclosed in the specification is a "corresponding" structure in a means-plus-function limitation. Again, Applicants assert that there are no "means-plus-function" limitations in claims 20-25.

Also, the Examiner is of the view that Claims 4-7, 13-19 and 22-25 recite the limitation "third" in each claim wherein the limitation lacks sufficient antecedent basis. Applicants respectfully disagree. In each claim, the first instance of the limitation "third" is preceded by the article "a". For example, claim 6 recites "a third legal agreement", and claim 7 recites "a third

party facility". It should also be noted that claims 4, 5, 15, 16, 17, 18, 19, 21, 22 and 23 do not recite the limitation "third" at all. Accordingly, Applicants respectfully request that the §112 rejections be withdrawn.

35 U.S.C. §103

The Examiner has rejected claims 1-25 under 35 U.S.C. §103 as being obvious in view of Atkins. Applicants respectfully disagree for the reasons argued in Applicants' August 11, 2004 Response to the April 15, 2004 Office Action. The Examiner states in response to Applicants' August arguments:

> In response to applicants' argument that Atkins does not disclose a second financial institution separate from the first institution, in the instant specification, there is no antecedent basis for this aspect of the claims.

Detailed Action, page 13. Since Applicants believe that the language of "separate financial institutions" is supported by the Specification, Applicants incorporate by reference the August 11, 2004 arguments as if fully set forth herein. Accordingly, Applicants' respectfully request that the Examiner reconsider the arguments made in view of the support of the claim language that has been set forth above.

With respect to the Examiner's Official Notice, Applicants respectfully disagree. The Examiner's citation of a bond as an exemplary embodiment of Applicants' invention seemingly indicates a possible misunderstanding of Applicants' invention. Applicants' invention is not an agreement between the purchaser of an asset and the issuer of that asset. The present invention does not relate to the selection of a first and second financial institution, wherein the first

institution purchases the liability of the second institution, counting the purchase as an asset for the first institution, as suggested by the Examiner's Official Notice.

Therefore, in accordance with the reasons set forth above, Atkins, alone or in combination with any other reference previously cited, does not suggest or teach the system or method as presently claimed. Accordingly, claims 1-25 are patentable over the cited prior art.

Applicants respectfully submit that claims 1-25 are in condition for allowance. Accordingly, Applicants respectfully request that the Examiner withdraw the 35 U.S.C. §§101, 112 and 103 rejections, and that allowance be granted at the earliest date possible. In this regard, Applicants respectfully request an interview with the Examiner, at the Examiner's earliest convenience, to discuss this Application. Should the Examiner have any questions regarding Applicants' response, the Examiner is asked to contact Applicants' undersigned representative at (215) 575-7181.

Respectfully submitted,

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